COMMANDERS DIGEST

DEPARTMENT OF DEFENSE • WASHINGTON, D.C.

PROPERTY OF
PRINCETON UNIVERSITY
LIBRARY

Vol. 7, No. 23 March 7, 1970

MAR 19 1970
RECEIVED
DOCUMENTS DIVISION

DEFENSE REPORT – Part I

Testimony On Fiscal Year 1971 Program And Budget

A Statement by -

Secretary of Defense
MELVIN R. LAIRD

President Nixon and Secretary Laird at the Pentagon soon after the President took office. In the background at left is General Earle G. Wheeler, Chairman, Joint Chiefs of Staff.

The first Department of Defense Program and Budget Report prepared entirely by the Nixon Administration was presented Feb. 20 by Secretary of Defense Melvin R. Laird.

"It is essentially a transitional program and budget," Secretary Laird told a Joint Session of the Senate Armed Services Committee and the Senate Subcommittee on Department of Defense Appropriations.

He said the report is "designed to move the Nation's defenses in a safe and orderly way from the national security policies of the 1960s to those deemed more appropriate for the 1970s. In my view, it is a rock bottom budget."

The Secretary explained that a discussion on the international situation is not included in this year's Secretary of Defense report, as in previous years, because President Nixon, in his first Annual Report on Foreign Policy on Feb. 18, presented a comprehensive global report to Congress.

Following is the first of a two-part series of Secretary Laird's statement on the Fiscal Year 1971 Defense Program and Budget:

President Nixon, in his Report, noted that partnership, strength and a willingness to negotiate are the three pillars required to build a lasting peace. As we move into the 1970s, we have before us the President's goal—to move from confrontation to negotiation, and hopefully, to push on to an era of uninterrupted peace. We have reduced our defense spending to the lowest proportion of the gross national product since before the Korean war; we are removing forces from Vietnam; we have met with the Soviet Union at Helsinki, with the Communist Chinese in Warsaw, and with the North Vietnamese and Viet Cong in Paris; and we have also worked with the major powers toward peace in the Middle East.

When we assumed office, I expressed the hope that my success or failure as Secretary of Defense would be judged on whether or not we in the Nixon Administration restored peace and were able to maintain it.

As we reduce our defense spending and move further into negotiations, we should have no illusions about the current

mary responsibility for providing the manpower for its defense.

In his report to Congress, the President stated:

"This approach requires our commitment to helping our partners develop their own strength. . . .

"In providing for a more responsible role for Asian nations in their own defense, the Nixon Doctrine means not only a more effective use of common resources, but also an American policy which can best be sustained over the long run."

The President also noted:

". . . while we will maintain our interests in Asia and the commitments that flow from them, the changes taking place in that region enable us to change the character of our involvement. The responsibilities once borne by the United States at such great cost can now be shared. America can be effective in helping the peoples of Asia harness the forces of change to peaceful progress, and in supporting them as they defend themselves from those who would subvert this process and fling Asia again into conflict."

THE CHALLENGE AT HOME

In addition to the military threats posed from outside our borders, we faced significant challenges within our borders.

At home, there was a growing mood of self-doubt. Our youth and other segments of our population were becoming increasingly frustrated over the war in Vietnam which was pushing defense expenditures higher and higher, while our casualties were second only to those we suffered in World War II. Despite the rising costs in human and material resources, hope for success seemed dim. As we assumed office in January 1969, no clear end was in sight, either in Southeast Asia or at the conference table in Paris.

Partly as a result of the Vietnam war, high prices and growing taxes were threatening the living standards of the pensioned and the salaried. There was a clear need and a growing demand to put our Government's fiscal affairs back in order. The Federal Budget needed to be balanced to start bringing serious inflation under control. Most importantly, our national priorities had to be reordered.

Moreover, our society was troubled by divisions which too often alienated the races and divided the generations.

As we assumed office in this environment, the Department of Defense was also confronted with frustration and disillusionment. Blame for mediocre results of some past policies and programs fell largely on the shoulders of the military. Our Code of Conduct for servicemen imprisoned by hostile forces was questioned as a result of the experiences of the PUEBLO crew. The administration of post exchanges and military prisons and the use of non-appropriated funds for such activities as Non-commissioned Officers' clubs were problem areas that came to light early in the year. These were followed by other and more serious charges of misconduct in alleged violation of the Uniform Code of Military Justice.

As a result of repeated modernization deferrals, the Navy fleet was threatened with approaching obsolesence. The controversial TFX, or F-111, and the Main Battle Tank seemed to be plagued by one structural or technical defect after another. Other programs that troubled us included the Cheyenne Helicopter, the C-5A, and the Mark 48 torpedo. I found and reported to Congress in my first appearance last year that current funding deficiencies on major weapons systems amounted to about $2 billion, and subsequently reported that cost growth, for various reasons, amounted to more than $16 billion. This situation forced us to cancel some programs, to order cutbacks in other production schedules, and to rely further on aging weapons and equipment.

Gilbert W. Fitzhugh, Chairman of the President's Blue Ribbon Defense Panel, talks with Vice Admiral William F. Bringle, Commander of the U.S. Seventh Fleet on the flight deck of the carrier USS Constellation during the panel's recent tour of the military command in the Pacific.

In addition, there were administrative problems within the Department of Defense.

I inherited a system designed for highly centralized decisionmaking. Overcentralization of decisionmaking in so large an organization as the Department of Defense leads to a kind of paralysis. Many decisions are not made at all, or, if they are made, lack full coordination and commitment by those who must implement the decisions. The traffic from lower to higher echelons may be inhibited; relevant and essential inputs for the decisionmaker can be lost. In addition, there seemed to be insufficient participation by other agencies with important responsibilities for national security.

I was also disturbed that although long-range plans existed, they did not always reflect realistic planning within foreseeable resources.

All of these challenges and problems convinced us that an overriding and immediate need was for the new Administration to devise far better methods to deal with national security matters than existed in January 1969.

EFFECTIVE MACHINERY TO MEET THE CHALLENGES

The Nixon Administration has taken major steps during the past year to bring the complex and interrelated problems of national security under more systematic review and control

as the President reported on Wednesday (Feb. 18). These steps include:

(1) Revitalizing the National Security Council and integrating the diverse national security machinery in order to ensure that the President receives all major views and alternatives before reaching a decision.

(2) Creating the Defense Program Review Committee (DPRC) as an aid to placing national security needs in proper relation to non-defense requirements, thereby tackling the urgent task of reordering our national priorities on a rational and efficient basis.

(3) Establishing the Blue Ribbon Defense Panel to make a comprehensive study of the current organization and operating procedures of the Defense Department and to recommend long-term improvements in the way we manage and utilize our nation's defense resources. I hope to have the Panel's report by June 30, 1970.

(4) Improving the Defense Department's Planning-Programming-Budgeting System (PPBS).

(5) Restructuring the weapons acquisition process within the Department to ensure better decisions on what new programs to develop and more efficient management of the programs we undertake.

These changes are not intended to superimpose new layers of paralyzing procedures on those already in existence. On the contrary, they are designed to replace in some cases, and reduce in others, less effective machinery. Our changed procedures permit a systematic approach to the problems of national security, bringing to the attention of the President and the National Security Council those major issues they must address in determining national security policy. Based on my experience with this system, I am convinced that we can obtain better overall coordination, more thorough review and analysis, and clearer high level guidance than we have had in recent years.

(To Be Continued)

The Blue Ribbon Defense Panel making a progress report on their activities to President Nixon and Secretary of Defense Melvin Laird in the Cabinet Room at the White House on Feb. 23, 1970. At the President's right is the Panel's Chairman Gilbert W. Fitzhugh, Chairman of Board of Metropolitan Life Insurance Company. Counterclockwise around the table are J. F. Buzhardt, Special Assistant to the Chairman, Blue Ribbon Defense Panel; Claude Young, Special Administrative Assistant to the Commissioner of the National Football League; Dr. George Stigler, Professor of American Institutions, University of Chicago; Dr. Ruben Mettler, President of TRW, Inc.; Wilfred J. McNeil, Director and Advisor of Fairchild-Hiller Corp.; Secretary Laird; Hobart Lewis, President, Readers Digest Association, Inc.; Robert Jackson, Chairman of Ryan Aeronautical Company and Continental Motors Corporation; Henry A. Kissinger, Assistant to the President for National Security Affairs; John M. Fluke, President, John Fluke Mfg. Co., Inc.; George Champion, President of Economic Development Board of New York City; William Blackie, Chairman of Board, Caterpillar Tractor Co.; Mrs. Leona P. Thurman, Attorney; Mr. C. W. Stroup (left row seat), the Panel's Executive Officer.

Collective Security In Asia—*Part II*

By Admiral John S. McCain Jr.
Commander-in-Chief Pacific

(This is the second of a three-part series of an address by Admiral McCain before the Hawaii Chapter of the Association of the United States Army. His topic: "Collective Security In Asia." His address covers the military and foreign affairs situation of the geographic area under his responsibility.)

Not only have military textbooks had to be rewritten through the inventiveness of man, but also political textbooks . . . through the burgeoning desire of man to be free and to govern himself.

Nowhere has this been more significant than in the Afro-Asian area which includes nearly a third of the total land mass of the earth.

At the close of World War II this area was largely under the colonial control of seven European nations . . . Britain, France, Italy, The Netherlands, Portugal, Belgium, and Spain. If there was trouble in the Congo, let us say, that was the responsibility of the Government in Brussels . . . rioting in India had to be contained by the troops of Britain. Rebellion in Algeria was a problem for Paris, not for the world. All this has changed.

Today some 50 new nations, in all stages of development and representing all degrees of stability, occupy this same area. There are 50 governments to deal with, many of them wholly new to governing. Any one of these could trigger a "crisis," some of them have already done so.

The expanding membership of the United Nations dramatizes this segmentation into more and more self-contained units. At is founding in 1945, the United Nations consisted of 51 nations, most of them long established, many of them strong politically, economically, and militarily. Today the United Nations' membership totals 126, or 75 more than the original number. Almost all of these new members are also "new" nations. Some are smaller in population than our major cities. Yet each has a voice in the General Assembly equal to our own. Collectively they form uncertain and constantly shifting alignments between the Free World, the communist-dominated world and the so-called "uncommitted" bloc of nations.

Whatever its weaknesses as an international peace-keeping force—and these are well-known—the United Nations still provides a forum for discussion, a common meeting ground, and a mirror of world opinion without which international relationships would be even more difficult to reconcile than they are now.

To supplement the United Nations, various military alignments have been set up by the Free World to provide a certain degree of "collective" security in the face of the avowed ambitions of communism to dominate the world politically, militarily, and economically.

As you well know, to safeguard the countries bordering European communist countries, there is the North Atlantic Treaty Organization, made up of 13 European nations, our own, and Canada.

In our own hemisphere there is the Organization of American States, or "OAS," made up of the 21 republics which share this area. This is, of course, political and economic in character, as well as military.

Our participation in the Central Treaty Organization is less direct but still a factor, supporting the four nations which make up the alliance.

Finally we come to the two security pacts of direct concern to the Pacific Command.

The Manila Pact—the Southeast Asia Treaty Organization—is made up of the nations whose major concern is the containment of communist activities in Southeast Asia. The eight SEATO nations include the United States, Great Britain, France, Australia, New Zealand, Pakistan, Thailand, and The Philippines.

The other pact, ANZUS, is made up of the three English-speaking nations which have major commitments and responsibilities in the Pacific area . . . Australia, New Zealand, and the United States. This involves many matters of mutual concern; both military and political.

'The Soviets appear to support containment of the Vietnam conflict, to reduce possibilities of its leading to general war.'

One further security bulwark has been erected toward achieving greater stability along the eastern coast of Asia. This area is stabilized by U.S. mutual assistance pacts with Japan, Republic of Korea, Republic of China, and the Republic of the Philippines.

All of these political-military groupings are defensive in nature.

Communism has changed radically in the past 16 years. At the time of Stalin's death the communist "bloc" of nations was, in reality, under a single dominant leadership. It extended from Western Europe to the Pacific as a contiguous geographic area. In it lived about a third of all the people on earth.

Today, this erstwhile "bloc" is split into factions as vitriolic toward each other as they are toward the Free World. Instead of a single communist leadership, there are now 14 separate leaderships. Although they may have individual interpretations as to how they want to expand, and at whose expense, the ambitions of the major communist leaders still pose a constant and serious threat to the Free World.

Nowhere is this more apparent than in the areas which

fall within the Pacific Command. For here the four most aggressive communist nations have created not only four "trouble areas," but 11.

Without doubt the leaders of Communist China, North Korea and North Vietnam are the most formidable problem American diplomacy has ever faced. They are not rational in our psychological and political sense. They are insensitive to life and property. Theirs is a long-range goal of territorial and ideological conquest. And to achieve this objective they are ruthless and resolute, patient and persistent.

The fact that the leaderships of the four communist powers in East Asia are divided by differing motivations and ambitions increases the difficulty of predicting what they might do in the way of possible military adventures.

We have fought two major wars with the communist powers in this area. Two of these nations have taken aggressive action which led us into wars not of our choosing. These, of course, are North Korea and North Vietnam. I plan to discuss Vietnam with you a little later.

The Soviet Union's primary immediate objective is to have the countries of the area look to the USSR rather than China for inspiration and help.

Backed by impressive economic and manpower resources, Soviet Far Eastern military strength remains a major threat. In the Far East, the Soviets have an army of a quarter of a million troops; an air force comprised of over a thousand jet bombers and a rocket force of hundreds of nuclear-tipped missiles. The threat posed by their modernized Pacific Fleet is increasing steadily. Presently, in the Pacific, they have over 50 major combatants and more than 100 submarines, many of them missile-equipped. Their navy also have hundreds of other craft involved in many types of missions.

In competing with Peking for leadership of the communist world, the Soviets can be expected to continue to assist their North Korean and North Vietnamese communist allies by providing large quantities of weapons, equipment and supplies. The Soviets appear to support containment of the Vietnam conflict, to reduce possibilities of its leading to general war. For this and other reasons of their own, rather than through any lack of opposition to U.S. objectives, they appear to favor dialogues concerning a Vietnam settlement.

Certainly the major potential source of danger in the Western Pacific is Communist China. While the motivations and intentions of the Communist Chinese leaders are matters of conjecture, their capabilities can be fairly accurately measured.

The Communist Chinese army at 2.4 million officers and men is the largest standing army in the world next to our own and it is equipped with modern weapons. Communist China's Air Force numbers nearly 3,000 combat aircraft, including MIG-21s and other sophisticated weapons systems. The navy is limited but growing, and includes the world's fourth largest fleet of submarines and a growing missile patrol boat force. Another half-million men make up an impressive para-military force.

The Communist Chinese long ago consolidated their control of mainland China. They have extended territorial claims to parts of India and have occupied Tibet. Their forces also have clashed with Soviet troops—on the Kazakhstan-Sinkiang frontier, which featured major fighting, comparable to that of March on the Ussuri River frontier, 2,000 miles to the east.

As to intentions, the Chinese communist forces appear at present, in spite of Peking's bombast about nuclear war with both the U.S. and Russia, to be defensively oriented in make-up and deployment. However, their nuclear capability will before long be able to span most of Asia and the Soviet Union. We anticipate that Communist China will have an ICBM deployment in the mid-1970s with which Peking could threaten the United States.

It appears that Communist China presently seeks to dominate its neighbors through political pressure, subversion, and so-called "wars of national liberation"—rather than by military conquest. It has been cautious in risking its own resources, however, to expand its influence it may add nuclear blackmail to its pressure on its neighbors.

In the Pacific Ocean area itself there are problems or potential problems all the way from Korea down into Southeast Asia and into Indonesia. More than 1.1 billion people live in the Pacific Command area.

Considering these factors, I must be concerned over any developments which could menace the security of our country, and to clarify this concern to those who share responsibility for action or inaction to deal with such developments. Also I must assess what resources are needed to assure the security of our country from the existent and potential threats in the Pacific area, and to press for resources being provided in time.

Let us now take up one at a time the 11 areas within the Pacific Command that I consider of prime importance because of their own special, potential, or actual problems.

Turning first to the Republic of Korea, the North Korean threat has not diminished in the last two years. Stepped-up infiltration to the south, the brazen capture of the Pueblo, and the shoot-down of one of our planes many miles from North Korean air space, reflect a truculence that could escalate sharply into major war.

Kim Il-Sung makes no secret of his goal to unify Korea under his control by force during the next few years. As you well know, he launched a carefully planned campaign to this end, highlighted by the 1968 Blue House raid in Seoul designed to assassinate President Park of the Republic of Korea; subsequent events continue to reaffirm his aggressive intentions. Clearly, he will not scruple at even the most flagrant measures to achieve his objective.

Hundreds of North Korean initiated incidents have erupted in the Republic of Korea. During 1968, there were 220 major incidents provoked by North Korea along the Demilitarized

COMMANDERS DIGEST

THIS PUBLICATION CONTAINS OFFICIAL INFORMATION, NEWS AND POLICY, DIRECT FROM WASHINGTON AUTHORIZED SOURCES.

Published weekly by American Forces Press Service, 1117 N. 19th St., Arlington, Va. 22209, a unified activity of the Office of Information for the Armed Forces, OASD (M&RA). Reproduction of content is authorized. Suggested dateline for materials used is WASHINGTON (AFPS).

Zone. The trend in 1969, however, was down significantly as compared to 1968.

Comparing the forces of both North Korea and the Republic of Korea, we find that the North Korean Army is considerably smaller than the Republic of Korea Army of over half a million men. The North Koreans have a large guerrilla-type commando force. North Korea's Navy is also smaller than the Republic of Korea's force but North Korea has a large fleet of patrol and coastal craft which are frequently used to land guerrilla forces on the coastline of the Republic of Korea.

On the air power side, the Republic of Korea is at a clear disadvantage since the North Korean's force outnumbers it about three to one in combat aircraft. North Korea's jet capable airfields are about double those facilities in the Republic of Korea. However, the United States can provide the balance of air power from aircraft currently deployed in the Pacific.

A most positive development in Northeast Asia is the Republic of Korea's markedly improved relations with Japan. This mutual cooperation has resulted in closer economic ties and a beneficial commercial exchange between the two countries.

Economically, Japan is now third among the nations of the world—following a long period of reconstruction and domestic investment and development. Japan is now turning its attention and resources toward assisting the economic and social development of the free nations of Asia. Japan remains a firm friend of the United States and prospects are for continuation of that friendship. This is exemplified by the November agreement of President Nixon and Prime Minister Sato on the reversion of Okinawa to Japan by the end of 1972 and the indefinite continuation of the mutual security treaty between our two nations.

Moving south, another area of communist pressure is the Taiwan Strait. A Communist Chinese attack on Taiwan in view of our firm commitment under the Mutual Defense

'The present deteriorating situation in Laos is of serious concern to us.'

Treaty of 1954 and of our combined defense capability would be a foolhardy venture. But the possibility can never be excluded. "Liberation" of Taiwan is a cardinal Chinese Communist objective.

Significant Chinese Communist military force is tied up on the mainland coast opposite Taiwan. Opposite Communist China is a significant Republic of China Army, an air force of over several hundred fighters, and a small navy of destroyer-types and patrol craft. Facing the Republic of China defense on Taiwan is a communist army of over 150,000 men, an air force of over 1,000 fighters and bombers, and a significant naval force including destroyer-types, submarines and a large coastal patrol force.

The South China Sea separates The Philippines from the mainland communist aggressive threat. Conscious nevertheless of the long-term danger, The Philippine Government provides important bases in support of the Free World stand in Vietnam and, ultimately, the security of The Philippines themselves. The HUK rebellion is a constant reminder of communist insurgency.

In Indonesia the Suharto Government has made definite progress in raising the country up from the depths to which it sank under Sukarno. Effective measures have been taken to prevent the Peking-oriented communist party of Indonesia from reviving on an important scale. Economic recovery and development are underway and there has recently been a marked resumption of American and other foreign investment in Indonesia's vast oil and other resources. While remaining unaligned, Indonesian foreign policy has been marked by growing readiness and desire to work with other free nations of the area for mutual economic, social and security interest.

In Malaysia a generally promising course of developments has been tragically interrupted by the last year's communal disturbances and riots. The still unsettled situation provides fertile ground for communist subversion. Malaysia's difficulties have unfortunately impaired five power efforts to develop new joint defense arrangements, necessitated by the impending British withdrawal.

While Singapore has thus far remained little touched, extension of communist inspired instability to that tiny island nation would imperil freedom of passage through the Malacca Straits which are crucial to Japanese petroleum imports for its industry.

We find clear evidence of Peking's aggressive designs in the mounting Chinese Communist-directed and supported insurgency in Northern Burma. A saving factor is the disunity of the various ethnic minorities in the border areas. But the communists are having some success in penetrating these elements and unifying their efforts against the government.

The insurgency in North and Northeast Thailand is inspired and directed by Peking and Hanoi. The Royal Thai Government is moving to meet the threat. The outcome is not yet clear, but there is solid ground for confidence that unless the external basis of the insurgency is magnified, the Thai authorities will, with continued U.S. materiel and advisory assistance, progressively bring the insurgency under control.

In Laos, wide areas in the north and in the panhandle previously classified as "contested" are now dominated by North Vietnamese and Pathet Lao Forces. Stretching west and south like two fingers in the heart of Southeast Asia, Laos is critically important to the free Asian countries' efforts to withstand the communist aggressive campaign. For the first time in recent years the rainy season did not produce the expected reduction in the enemy's offensive activity and he continues to conduct the most determined aggressive campaign in Laos since the 1962 Accords. The present deteriorating situation in Laos is of serious concern to us.

Cambodia and the United States have again established diplomatic relations. One of the problems in that country is the fact the Viet Cong and North Vietnamese Army regulars are using certain border areas of Cambodia to refit, resupply, and regroup for their aggression in South Vietnam. The Cambodian Government has made tentative moves to control communist abuse of its territory, however, Hanoi's objective to dominate all of former French Indochina is very clear.

(To Be Continued)

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.
Price 5 cents (single copy). Subscription Price: $2.50 per year; $3.25 additional for foreign mailing.
☆U.S. GOVERNMENT PRINTING OFFICE: 1969 393/220/S-85